

HOUSE BILL 357

C2

11r0460
CF SB 234

By: **Chair, Economic Matters Committee**
Introduced and read first time: February 3, 2011
Assigned to: Economic Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 9, 2011

CHAPTER _____

1 AN ACT concerning

2 **State Real Estate Commission – Sunset Extension and Program Evaluation**

3 FOR the purpose of continuing the State Real Estate Commission in accordance with
4 the provisions of the Maryland Program Evaluation Act (sunset law) by
5 extending to a certain date the termination provisions relating to certain
6 statutory and regulatory authority of the Commission; requiring the
7 Commission to include certain information in its annual report to the Secretary
8 of Labor, Licensing, and Regulation; increasing the amount that a person may
9 recover for each claim against the Real Estate Guaranty Fund; prohibiting a
10 certain settlement offered to a licensee by the Commission from including a
11 certain provision; requiring the licensee to submit notice of the change, certain
12 documentation, and a certain fee to the Commission if the address of the
13 affiliated brokerage of a licensed associate real estate broker or a licensed real
14 estate salesperson changes; increasing a certain fee for collection of a
15 dishonored check; requiring the Commission to submit a certain report on or
16 before a certain date; and generally relating to the State Real Estate
17 Commission.

18 BY repealing and reenacting, with amendments,
19 Article – Business Occupations and Professions
20 Section 17–210, 17–404(b), 17–520, 17–521(a), and 17–702
21 Annotated Code of Maryland
22 (2010 Replacement Volume)

23 BY adding to

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Article – Business Occupations and Professions
 2 Section 17–413
 3 Annotated Code of Maryland
 4 (2010 Replacement Volume)

5 BY repealing and reenacting, without amendments,
 6 Article – State Government
 7 Section 8–403(a)
 8 Annotated Code of Maryland
 9 (2009 Replacement Volume and 2010 Supplement)

10 BY repealing and reenacting, with amendments,
 11 Article – State Government
 12 Section 8–403(b)(60)
 13 Annotated Code of Maryland
 14 (2009 Replacement Volume and 2010 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 16 MARYLAND, That the Laws of Maryland read as follows:

17 **Article – Business Occupations and Professions**

18 17–210.

19 The Commission shall submit to the Secretary an annual report of the activities
 20 of the Commission that includes:

- 21 (1) a statement of the total receipts from license fees;
- 22 (2) a statement of the total expenditures of the Commission;
- 23 (3) the number of real estate broker licenses, associate real estate
 24 broker licenses, and real estate salesperson licenses issued in each county;
- 25 (4) the number of hearings held;
- 26 (5) the number of complaints received;
- 27 (6) the number of investigations made;
- 28 (7) the number of applications for licenses denied;
- 29 (8) the total number of licenses suspended or revoked;
- 30 (9) the number of cases resolved within the schedule adopted under §
 31 17–208(b) of this subtitle; [and]

1 **(10) THE NUMBER OF GUARANTY FUND AWARDS MADE THAT**
2 **REACH THE STATUTORY CAP AT THE TIME THE AWARD IS MADE, THE**
3 **CORRESPONDING AMOUNTS CLAIMED BY THE COMPLAINANT IN EACH CASE,**
4 **AND THE AMOUNT OF DAMAGES THAT WOULD HAVE BEEN REIMBURSABLE TO**
5 **THE COMPLAINANT IF THE STATUTORY CAP DID NOT EXIST; AND**

6 **[(10)] (11)** any other information that reflects the work of the
7 Commission.

8 17-404.

9 (b) The amount recovered for any claim against the Guaranty Fund may not
10 exceed ~~[\$25,000]~~ **\$50,000** for each claim.

11 **17-413.**

12 **IF THE COMMISSION OFFERS A LICENSEE A SETTLEMENT TO REDUCE A**
13 **FINE IMPOSED FOR A VIOLATION OF THIS TITLE, THE SETTLEMENT MAY NOT**
14 **INCLUDE A PROVISION REQUIRING THE LICENSEE TO WAIVE THE LICENSEE'S**
15 **RIGHT TO CONTEST A GUARANTY FUND CLAIM AGAINST THE LICENSEE.**

16 17-520.

17 (a) Within the time set by the Commission, a real estate broker shall submit
18 to the Commission:

19 (1) written notice of any change in the address of the principal office of
20 the broker on the form that the Commission provides;

21 (2) the license certificate and pocket card of the broker; and

22 (3) a fee for issuance of a new license certificate and pocket card of \$5.

23 (b) On receipt of the notice, fee, license certificate, and pocket card, the
24 Commission shall issue a new license certificate and pocket card to the real estate
25 broker for the unexpired period of the broker's license.

26 (c) Within the time set by the Commission, a real estate broker shall submit
27 to the Commission:

28 (1) written notice of any change in the address of a branch office of the
29 broker on the form that the Commission provides;

30 (2) the branch office certificate; and

31 (3) a fee for the issuance of a new branch office certificate of \$5.

1 (d) On receipt of the notice, fee, and branch office certificate, the Commission
 2 shall issue a new branch office certificate to the real estate broker for the unexpired
 3 period of the branch office certificate.

4 (e) If a real estate broker changes the address of the principal office or a
 5 branch office of the broker and fails to submit the required notice, the license of the
 6 broker shall be suspended automatically until the broker submits the required notice.

7 **(F) IF THE ADDRESS OF THE AFFILIATED BROKERAGE OF A LICENSED**
 8 **ASSOCIATE REAL ESTATE BROKER OR A LICENSED REAL ESTATE SALESPERSON**
 9 **CHANGES, WITHIN THE TIME SET BY THE COMMISSION, THE LICENSEE SHALL**
 10 **SUBMIT TO THE COMMISSION:**

11 **(1) WRITTEN NOTICE OF ANY CHANGE IN THE ADDRESS OF THE**
 12 **BROKERAGE;**

13 **(2) THE LICENSE CERTIFICATE AND POCKET CARD OF THE**
 14 **LICENSEE; AND**

15 **(3) A FEE FOR THE ISSUANCE OF A NEW LICENSE CERTIFICATE**
 16 **AND POCKET CARD OF \$5.**

17 17-521.

18 (a) If a person tenders a check to the Commission in payment of a fee and the
 19 check is dishonored, the person shall pay to the Commission an additional fee for cost
 20 of collection of [~~\$25~~] **\$35** for each dishonored check.

21 17-702.

22 Subject to the evaluation and reestablishment provisions of the Maryland
 23 Program Evaluation Act, this title and all regulations adopted under this title shall
 24 terminate and be of no effect after July 1, [~~2012~~] **2022**.

25 Article – State Government

26 8-403.

27 (a) On or before December 15 of the 2nd year before the evaluation date of a
 28 governmental activity or unit, the Legislative Policy Committee, based on a
 29 preliminary evaluation, may waive as unnecessary the evaluation required under this
 30 section.

31 (b) Except as otherwise provided in subsection (a) of this section, on or before
 32 the evaluation date for the following governmental activities or units, an evaluation

1 shall be made of the following governmental activities or units and the statutes and
2 regulations that relate to the governmental activities or units:

3 (60) Real Estate Commission, State (§ 17–201 of the Business
4 Occupations and Professions Article: July 1, [2011] **2021**);

5 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before October 1,
6 2012, the State Real Estate Commission shall report to the Senate Education, Health,
7 and Environmental Affairs Committee and the House Economic Matters Committee,
8 in accordance with § 2–1246 of the State Government Article, on:

9 (1) the implementation of recommendations of the Department of
10 Legislative Services contained in the sunset evaluation report dated October 2010;

11 (2) any types of consumer claims that are not currently eligible for
12 restitution from the Real Estate Guaranty Fund, established under § 17–402 of the
13 Business Occupations and Professions Article, that the Commission believes should be
14 reimbursable under statute;

15 (3) if the Commission concludes that there is no need to expand the
16 types of claims eligible for restitution, whether the Commission recommends reducing,
17 suspending, or eliminating the Real Estate Guaranty Fund assessment; and

18 (4) the Commission’s fiscal situation, including information on
19 licensing trends and operating expenses.

20 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 July 1, 2011.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.